

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-05 L-02

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

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FEA-01 TRSE-00 /080 W

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R 221709Z NOV 74

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 4817

INFO AMEMBASSY BELGRADE

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMCONSUL LENINGRAD

AMCONSUL MUNICH

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY WARSAW

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E.O. 11652: N/A

TAGS: ECON EIND PINT UR

SUBJECT: PARTY INCREASES GRIP ON SOVIET ECONOMIC INFRASTRUCTURE

REF: MOSCOW A-28, 1/27/74

1. SUMMARY: BACK-TO-BACK CPSU CENTRAL COMMITTEE REVIEWS OF  
ACTIFITIES IN TWO KEY ECONOMIC MINISTRIES--PUBLISHED IN PRESS  
NOV 21-22--GIVE CLEAR INDICATION OF REDOUBLED PARTY EFFORTS  
TO EXERT FIRM CONTROL OVER COURSE OF SOVIET ECONOMY. END SUMMARY

2. CENTRAL PRESS NOV 21 CARRIED BRIEF ACCOUNT OF CENTRAL  
COMMITTEE (CC) SESSION WHICH EXAMINED PERFORMANCE OF USSR  
MINISTRY OF PETROLEUM REFINING AND PETROCHEMICAL INDUSTRY  
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IN EXPANDING AND RENOVATING EXISTING ENTERPRISES. NOTING MAJOR

PROGRESS ATTAINED BY MINISTRY IN INTENSIFIED USE OF EXISTING RESOURCES, CC CONCLUDED THAT PLAN GOALS FOR INCREASED PRODUCTION HAVE BEEN ACHIEVED WITH LESSER CAPITAL INVESTMENTS THAN WERE ENVISAGED WITHIN FRAMEWORK OF NINTH FIVE-YEAR PLAN. IN CARRYING OUT THIS LAUDABLE WORK, MINISTRY "RELIED WIDELY ON ORGANIZATIONAL AND MOBILIZING WORK OF LOCAL PARTY ORGANIZATIONS." SOCIALIST COMPETITIONS HAVE BEEN SET UP. EXCHANGES OF WISDOM AND EXPERIENCE HAVE TAKEN PLACE. BUT MUCH REMAINS TO BE DONE: PARTY CADRES AT PLANTS AND FACTORIES NEED TO FURTHER "FOCUS ATTENTION" OF MANAGEMENT AND TECHNICAL WORKERS ON MEANS OF MAKING PRODUCTION MORE EFFICIENT AND OF HIGHER TECHNOLOGICAL LEVEL.

3. NOV 22 PRAVDA REPORTS CC RESOLUTION CONCERNING WORK OF PARTY COMMITTEE IN MINISTRY OF COMMUNICATIONS. CONTRASTING EARLIER PRAISE OF PARTY GROUPS IN PETROLEUM REFINING INDUSTRY, THIS DECREE IS LARGELY CRITICAL. PARTY CELLS WITHIN ALL-UNION COMMUNICATIONS MINISTRY AND ITS BRANCHES AROUND COUNTRY ARE NOT UTILIZING "ALL FORMS AND METHODS OF PARTY CONTROL FOR FULFILLING PARTY AND GOVERNMENT DIRECTIVES" WITHIN COMMUNICATIONS INDUSTRY. PARTY COMMITTEE IN CENTRAL MINISTRY NOT PAYING SUFFICIENT ATTENTION TO QUESTIONS OF HOW TO DEVELOP CREATIVITY WITHIN MINISTRY APPARAT. IT IS "WEAK" IN CONTROLLING MINISTRY'S FULFILLMENT OF ECONOMIC PLANS. CC RESOLUTION OBLIGATED (OBYAZAL) PARTY COMMITTEE IN MINISTRY OF COMMUNICATIONS TO TAKE IMMEDIATE MEASURES FOR IMPROVING ITS CONTROL OVER MINISTRY'S PERFORMANCE. PARTICULARLY RECOMMENDED WITHIN THIS PROCESS OF IMPROVEMENT ARE CRITICISM AND SELF-CRITICISM, THOSE TRIED AND TRUE METHODS FOR REVEALING AND LIQUIDATING FAULTS.

4. COMMENT: LATEST CENTRAL COMMITTEE ACTIONS APPEAR TO BE BATTLE CALL IN LATEST ROUND OF REDOUBLED PARTY EFFORTS TO ACHIEVE TOTAL CONTROL OVER COUNTRY'S ECONOMIC ACTIVITY, DESCENDING TO LOWEST RUNGS OF INDUSTRIAL LADDER-- TO "PLANT SHOPS, UNITS, AND BRIGADES." REJOINING LIST OF PARTY PANACEAS FOR CURING COUNTRY'S CHRONIC ECONOMIC ILLS (CHIEFLY WORKER INDIFFERENCE) IS AGAIN OLD STANDBY, SELF-CRITICISM.

5. AS NOTED IN REPAIR, CENTRAL COMMITTEE IS INCREASINGLY ASSUMING FUNCTIONS WHICH WERE AT LEAST FORMALLY WITHIN PROVINCE LIMITED OFFICIAL USE

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OF COUNCIL OF MINISTERS. WHILE DECREE CONCERNING WORK OF PARTY COMMITTEE IN COMMUNICATIONS MINISTRY CLEARLY POLITICAL IN NATURE (ALTHOUGH WEIGHTED DOWN WITH ECONOMIC OVERTONES), CC STATEMENT ON ACTIVITIES OF PETROLEUM REFINING AND PETROCHEMICAL MINISTRY THEORETICALLY SHOULD HAVE BEEN ISSUED JOINTLY BY COUNCIL OF MINISTERS. STRESS IN LATTER STATEMENT ON REDUCTION IN PLANNED CAPITAL INVESTMENTS, INCIDENTALLY, WOULD APPEAR TO BE CLEAR REFLECTION OF BREZHNEV'S PET PEEVE THAT ECONOMY'S INVESTMENT

OUTPUT RATIO FAR TOO LOPSIDED IN FAVOR OF INVESTMENT.

6. EMBASSY ASSESSMENT OF LATEST CENTRAL COMMITTEE ACTIONS IS THAT PARTY DOES NOT DESIRE FUNDAMENTAL CHANGE IN ECONOMIC STRUCTURE BUT IS NIBBLING AWAY AT GOVERNMENTAL LEADERSHIP OF THE ECONOMY AND GRADUALLY WIDENING SPHERE OF PARTY INTERVENTION. PARTY DISTASTE FOR CHANGE WAS STRONGLY REINFORCED BY EVENTS OF 1968 WHICH ALERTED PARTY LEADERS TO POSSIBLE DANGERS OF DECENTRALIZING ECONOMIC DECISION-MAKING. HOWEVER, CHRONIC PROBLEMS DEMAND SOME INTERVENTION, AND AT PRESENT PARTY UNABLE TO COME UP WITH BETTER APPROACH THAN VERBAL EXHORTATIONS AND ADMINISTRATIVE DIRECTIVES.  
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